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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/215,058	12/17/1998	NED HOFFMAN	STA-14	7856

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PORTLAND, OR 97205

EXAMINER

MYHRE, JAMES W

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 06/19/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.  
09/215,058

Applicant(s)  
Hoffman et al

Examiner  
James W. Myhre

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on Apr 28, 2003.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-12 and 23-27 is/are pending in the application.
- 4a) Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-12 and 23-27 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claims \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some\* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s). \_\_\_\_\_ 6) ☐ Other:

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## **DETAILED ACTION**

### ***Response to Amendment***

1. The amendment filed on April 28, 2003 is sufficient to overcome the Musgrave (6,105,010), Musgrave et al (6,202,151), and Stinson et al (6,045,039) references by changing the priority date of the present application to August 29, 1996.

### ***Double Patenting***

2. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and, *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321© may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

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Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer.

A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b). The Applicant indicated on page 5 of the amendment filed on April 22, 2002, that a "terminal disclosure is filed herewith to overcome the rejection of claims 1-12 as being double-patented". As the Examiner noted in the subsequent action (paper number 9) on June 20, 2002, no evidence has been found that the terminal disclaimer was actually submitted. Therefore, the Examiner maintains the double-patenting rejection of Claims 1-12 as indicated below.

Claims 1-12, 23, and 27 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1, 5, 6, 9-1, 20, 21, 24-26, 28, and 29 of U.S. Patent No. 5,870,723 in view of claim 1 of U.S. Patent 6,269,348.

The subject matter claimed in the instant application is fully disclosed in the patent and is covered by the patent since the patent and the application are claiming common subject matter, as follows: the patent is claiming a method for tokenless authorization of commercial transactions using biometric data by comparing the user's current biometric data with previously stored biometric sample data. There are only two differences between the patented claim 1 and the present claim 1. First, the patent includes the feature of the seller registering not only an account number as in the application, but also a seller identification code. However, in claim 7 of the patent the seller identification code is the same as the seller's account number, therefore eliminating this difference between the claims. Second, the patent includes the feature of the

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buyer registers not only an account number and biometric sample as in the application, but also a personal identification number (PIN). The Examiner notes that the exclusion of the requirement to register a PIN would have been an obvious variation of the patent. Indeed, in Claim 1 of Patent No. 6,269,348, which claims priority from the above patent, the Applicant only requires the buyer to enter a biometric sample and an account number.

The other dependent claims listed above are substantially word-for-word duplicates of the dependent claims of the patent. The Examiner notes, however, that the parties involved in the transactions are identified using different terminology. In the patent, the parties are identified as the buyer and the seller. In the instant application, they are identified as the user and the seller. Since both sets of terms refer to the two parties involved in a transaction, the Examiner finds no patentable distinction by this use of alternative terminology. Likewise, the amendment filed on April 28, 2003 changed the “the user’s personal authentication information” in Claim 1 to “the user’s personal identification information”. However, this merely changed the terminology used to describe the same biometric sample being received from the user; and, thus, no patentable distinction exists between this alternative terminology.

Furthermore, there is no apparent reason why applicant was prevented from presenting claims corresponding to those of the instant application during prosecution of the application which matured into a patent. See *In re Schneller*, 397 F.2d 350, 158 USPQ 210 (CCPA 1968). See also MPEP § 804.

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***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-12 and 23-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Houvener et al (6,070,141) in view of .

Claims 1, 23, 24, and 27: Houvener discloses a method for authorizing transactions using biometric identification, comprising:

- a. Registering the user's (customer's) biometric and account data (col 11, lines 33-37);
- b. Adding the customer's current biometric data to transaction offer data upon acceptance of the transaction by the customer (col 7, line 45 - col 8, line 6);
- c. Transmitting the combined data to a remote authentication system (col 7, line 45 - col 8, line 6);
- d. Comparing the transmitted biometric data with the stored registered biometric data to verify the identity of the customer (col 9, lines 16-21 and col 10, lines 8-15);
- e. Transferring the payment between the customer's account and the merchant's account (or another of the user's accounts, e.g. electronic funds transfer from checking account to

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savings account) once it's been determined that the customer's account has sufficient funds (within its pre-approval credit limit)(col 7, line 45 - col 8, line 6); and

f. Presenting the results to the customer, merchant, or both (col 8, lines 3-6).

While Houvener discloses that an account number is entered at the POS, then transmitted to the database, which uses the account number to locate stored biometric data pertaining to the customer and which then compares the stored biometric data with the biometric data supplied by the customer at the POS, since the account number and the biometric data is linked within the database it would have been obvious to one having ordinary skill in the art at the time the invention was made that either part of the linked data could be used as the input to find the other part of the linked data, in other words, it is obvious the entered data could be the biometric data and that the linked data could be the account number. Houvener implies this by disclosing that the use of a credit card account number as the entered data is one example of how the system could be used and also noting "However, it is understood that the system and method disclosed herein is adaptable to any application where positive identification of a person is required. Such alternative applications comprise other banking transactions, firearms sales, food stamp reimbursement and a host of other applications related to the welfare, voting, law enforcement, health care, airline, immigration and naturalization fields, which will be discussed in more general terms below" (col 4, line 58 - col 5, line 5). In many of these alternative applications, the "customer" would not have an account number to submit. Moreover, the use of biometric data by

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Houvener to actually identify the individual (and, thus, his account) eliminates the need to use the account number to identify the individual, especially when combined with Daugman (see below).

While Houvener discloses comparing the customer's current biometric data with the stored biometric data to verify the identity of the customer (i.e. a one-to-one comparison), it is not explicitly disclosed that the current biometric data is being compared to biometric samples from a plurality of customers in the database (i.e. a one-to-many) to determine the identity of the current customer. Daugman discloses a similar method for using biometric data (iris codes) to identify individuals in which the comparison may be between "two iris codes, as well as exhaustive searches through large databases of stored iris codes" and "could exhaustively compare a 'presenting' iris code against a population of 80 million previously stored iris codes within one second, to establish reliably whether the individual is any one of those persons" (col 18, lines 1-9). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to compare the current biometric data collected by Houvener against a plurality of stored biometric data to identify the customer and, since Houvener has linked the customer's account and biometric data, the customer's account number. One would have been motivated to compare the current biometric data to a plurality of stored biometric data in order to automatically and unobtrusively identify the customer without the need for the customer to present any kind of token, PIN number, signature, or the like automatically as discussed by Daugman (col 1, lines 52-55).

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While Houvener discloses using this biometric identification system for electronic transactions and banking functions to include transferring funds between accounts and explicitly discloses that the store clerk will be positively identified by the use of a smart card and PIN so that “the system can recreate a transaction and identify not only the person initiating the transaction but the clerk who was responsible for positively identifying the individual initiated the transaction” (col 11, lines 6-9), it is not explicitly disclosed that the merchant’s account is going to be pre-registered with the system, nor that the merchant proposes a transaction offer to the customer. The Examiner notes that it is common to pre-register merchants and their account numbers with commerce systems for a variety of reasons. For example, pre-registering merchants provides a higher level of assurance to the customer that the merchant is an “approved” merchant that can be trusted to provide the goods/services. Pre-registering merchants also enabled the system to charge a pre-negotiated transaction fee to the merchant, such as is common with credit card transactions. By pre-registering, merchants are also able to complete transactions without having to transmit their account number over unsecure lines (e.g. the Internet) each time. For these and other well known benefits, it would have been obvious to one having ordinary skill in the art at the time the invention was made to register the merchant and to include at least one of the merchant’s financial account number. One would have been motivated to include such a registration step for the merchants in the Houvener invention in view of the reasons above and Houvener’s discussion of the importance of data protection on the Internet and processing the credit card transaction.

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The Examiner notes that the definition of the merchant's transaction offer in Claim 1, wherein "the proposed commercial transaction comprising price information", reads on a catalogue, an advertisement, sales flyer, or verbal price quote by the merchant. Since almost all customers (except, possibly, extremely rich customers) would want to know the price of the goods/services before purchasing the goods/services, it would have been obvious to one having ordinary skill in the art at the time the invention was made for the merchant to present the price of the goods/services to the customer. One would have been motivated to present the price to the customer in order to allow the customer to make a better business decision on the quality of the offer.

Claim 2: Houvener and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above. Houvener further discloses determining if the customer has sufficient funds in the account (col 7, line 45 - col 8, line 6).

Claims 3-6: Houvener and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above, neither reference explicitly discloses using an account code to select an account, assigning a name to the account code, nor displaying a list of the accounts to the customer upon successful identification. Official Notice is taken that it is old and well known within the banking arts to display a list of accounts to a user (such as when operating an ATM terminal) and to identify the accounts using account codes and account names. For example, when a customer logs onto an ATM terminal and selects the type of desired transaction, the terminal will display a list of pertinent accounts and ask the customer to select one or more

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(depending upon the type of transaction). The list of accounts do not normally show the entire account number, which may be quite extensive in length, but rather the list consists of an account code (e.g. A, B, C, and D) and an associated account name (e.g. checking, savings, Christmas Club, money market). The customer normally selects the desired account by pressing the keyboard button indicated by the account code. A similar system is used to allow a customer to select the desired account when completing a transaction at a merchant's facility, such as a travel agency. If the customer has several travel accounts (e.g. business, executive, and personal), the system will display the list of the customer and allow the customer to enter the account code for the desired travel account. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to display a list of accounts to Houvener customer using account codes and account names and to allow the customer to select the desired account. One would have been motivated to display and use such a list in order to eliminate the need for the customer to remember the lengthy account numbers of each account, thus facilitating a more expeditious selection of the desired account and decreasing the opportunity for erroneous (undesired) selections.

Claim 7: Houvener and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above, but neither reference explicitly discloses creating a credit authorization draft. The Examiner notes that credit authorization drafts as disclosed by Claim 7 are well known within the business arts and are used extensively in business-to-business transactions to allow transactions to be completed, for example, without the need to pre-approve

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a transaction in which the final price may not be known ahead of time (e.g. repair of an office machine). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to create a credit authorization draft in the Houvener reference. One would have been motivated to include the creation of a credit authorization draft in the Houvener reference in order to facilitate business-to-business transactions without overburdening the two accounting departments.

Claim 8: Houvener and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above, and Houvener further discloses the data being communicated between remote computer systems to determine resources and/or construct the credit authorization draft (col 7, line 45 - col 8, line 6).

Claim 9: Houvener and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above. While Houvener discloses including and storing the transaction data as a transaction record, it is not explicitly disclosed that the transaction data contains one or more of a list of goods/services, a seller name, a date and time, a location, or an invoice number. The Examiner notes that these are well known elements usually contained in transaction data files. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include one or more of these elements in the Houvener transaction data. One would have been motivated to include these features in order to facilitate delivery of the purchased goods/services and to better identify the transaction for accounting

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processing by all parties concerned, especially when attempting to “recreate a transaction” as discussed by Houvener (col 11, lines 4-9).

Claim 10: Houvener and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above, but neither reference explicitly discloses that the customer can receive cash back during the transaction. The Examiner notes that cash back transactions are extremely well known throughout society and are the major means for many people to maintain their supply of cash-on-hand for small purchases. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the customer in Houvener to receive cash back during a transaction by entering an amount that exceeds the amount of the goods/services being purchased. One would have been motivated to allow a cash back transaction in order to increase customer satisfaction and goodwill and to allow the customer to have the cash to “tip” the merchant representative for exceptional service, provide change for parking meters, etc.

Claim 11: Houvener and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above. Houvener further discloses checking incoming registration biometric samples against previously stored biometric samples to prevent duplicate registration of individuals, either inadvertently or for fraudulent purposes (col 6, lines 52-67 and col 7, lines 38-42).

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Claim 12: Houvener and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above. Houvener further discloses the type of biometric data being used consisting of one or more of “fingerprints, retinal images, or the like” (col 9, lines 16-20).

Claims 25 and 26: Houvener and Daugman disclose a method for authorizing transactions using biometric identification as in Claim 1 above. Houvener further discloses that the merchant will be identified by comparing stored identification data with identification data received over the remote connection. As an example, Houvener suggests the use of “commonly available caller ID technology to ensure that the request for data has originated from an authorized telephone line” (col 6, lines 20-31). Since Houvener also discloses that the system could be run not only through telephone network (hence, the caller ID example), but also through a wide area network, it would have been obvious to one having ordinary skill in the art at the time the invention was made to use other known technology for verifying the sending unit in Houvener, to include network address comparison, hardware identification number comparison, etc. One would have been motivated to use the hardware identification code in the identification comparison in view of its uniqueness, since manufacturer do not give the same hardware identification number to two items.

### ***Response to Arguments***

5. Applicant's argument that the rejections are traversed has been considered but is moot in view of the new ground(s) of rejection.


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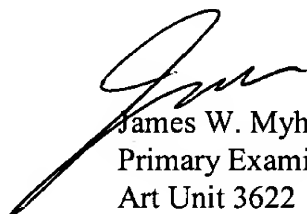
***Conclusion***

6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:30 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number for Formal or Official faxes to Technology Center 3600 is (703) 872-9326. Draft or Informal faxes may be submitted to (703) 872-9327 or directly to the examiner at (703) 746-5544.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (703) 308-1113.

  
JWM  
June 18, 2003

  
James W. Myhre  
Primary Examiner  
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